

**Western Area Power Administration
Request for Proposals
Regarding the Purchase of Renewable Energy Certificates
July 2009**

1. **BACKGROUND:** Western Area Power Administration (Western), a power marketing administration within the U.S. Department of Energy, desires to purchase Renewable Energy Certificates (RECs) under this Request for Proposals (RFP). The Colorado River Storage Project - Management Center (CRSP) is the contracting office on behalf of Western. The purchase, made on behalf of the Western regional offices and the Federal agencies listed below, is being done pursuant to the Reclamation Laws of the United States, including but not limited to the Acts of Congress approved June 17, 1902 (32 Stat. 388); February 25, 1905 (33 Stat. 814); August 4, 1939 (55 Stat. 1187); December 22, 1944 (58 Stat. 887); July 3, 1952 (66 Stat. 325); April 11, 1956 (70 Stat. 105); August 4, 1977 (91 Stat. 565), and Acts amendatory or supplementary to the foregoing Acts and the Economy Act, 31 U.S.C. § 1535, as supplemented. This proposed acquisition is not subject to the Federal Acquisition Regulation (FAR).

The following Federal entities (individually, a Party and collectively, the Parties) have requested that Western purchase the individual REC amounts requested by year set forth in Attachment 1 on their behalf:

Western Area Power Administration (WAPA), DOE
Western Area Power Administration (WAPA, RMR), DOE
U.S. Department of Agriculture, Forest Service (USFS)
U.S. Department of Energy, NNSA Pantex Plant

Offers submitted in response to this RFP must be received via mail or fax by Western on or before August 7, 2009, at 4:30 p.m. MDT to be considered for evaluation. Offers received by e-mail or late offers will not be considered.

2. **DEFINITIONS:** The definitions of certain terms used in this RFP are as follows:
- 2.1 **Contractor:** The successful offeror(s) for sale to Western of RECs under this RFP.
- 2.2 **Renewable Energy:** Shall have the same definition as Section 203 of the 2005 Energy Policy Act, and Section 9(h) of Executive Order 13423:

“The electric energy, measured in megawatt-hours (MWh), which is generated from solar, wind, biomass, landfill gas, ocean (including tidal, wave, current, and thermal), geothermal, municipal solid waste, or new hydroelectric generation capacity achieved from increased efficiency or additions of new capacity at an existing hydroelectric project, and is physically delivered into the electric grid.”

- 2.3 Renewable Energy Certificate (REC):** Also known as a Tradable Renewable Certificate (TRC) or "green tag," represents the environmental, social, and other positive attributes of power generated by renewable resources. One REC is created with each MWh of renewable electricity generation. A REC shall only have one owner at any point in time. The REC will contain all its original environmental attributes.
- 2.4 REC Contract:** The separate agreement which shall be executed between Western and any successful offeror for RECs purchased on behalf of the Party(ies).
- 2.5 REC Request for Proposals (RFP):** A solicitation that requests offers in response to a government effort to acquire RECs.
- 2.6 Retirement Certification:** Documentation that certifies that the RECs provided will not be marketed, sold, or transferred to a party other than Western, or presented as a component of the generator's energy products.
- 2.7 Zero Emissions:** Any source of renewable energy that has no greenhouse gases and/or pollutants associated with energy generation.

3. STATEMENT OF WORK AND SPECIFICATIONS

- 3.1 REC Acquisition Requirements:** Western is requesting firm, fixed, price proposals for each REC and for the annual transfer of RECs on behalf of any or all of the Parties for terms of each Federal fiscal year beginning FY2009 and ending FY 2015. **Fiscal year is defined as October 1 through September 30, FY 2009 began October 2008.** Attachment 1 to this RFP outlines the Party(ies) requesting the REC, the amount of RECs (in MWh or dollars) that the Party(ies) seeks to acquire per year, and, as applicable, the type of resource and location of generation.
- 3.2 Proposal Criteria:** Western will consider proposals that offer to supply all or part of the RECs for the Party(ies) as set forth in Attachment 1. Western may aggregate two or more proposals to meet the requirements of this RFP. The RECs to be purchased shall meet, at a minimum, the definition of renewable energy as defined in Section 203 of the 2005 Energy Policy Act and Executive Order 13423. REC requirements that exceed the Energy Policy Act of 2005 minimum standard are set forth in Attachment 1. All RECs to be provided under this acquisition must be generated within the United States, except as specified in Attachment 1. In addition, at least 50 percent of the RECs purchased by Western under this RFP will be from generation plants that began generating after January 1, 1999, except as specified in Attachment 1, all of which must be generated in the same fiscal year (FY) for which the RECs are purchased. Western encourages small and minority-owned businesses and Native American Tribes to apply.

- 3.3 Start Date:** The expected start date for the contract period of the RECs may be as soon as practicable after the REC Contract award, which is anticipated to be no later than August 21, 2009.
- 3.4 Renewable Energy Certification:** Offerors must certify that the RECs are “green” using one of the following certification methods: a nationally recognized renewable electricity certification program such as Green-e, TerraChoice, or similar program; an independent auditor’s report; or a third-party certification methodology approved by a state governmental entity, a regional transmission entity, or power pool in which the renewable resource is located. Certification is subject to the approval of Western and the Party(ies) prior to the REC Contract award. The Renewable Energy Certification method will be included in the REC Contract.
- 3.5 Renewable Energy Verification:** Western requires the offeror and the generator to submit verification forms (see Attachments 2 and 3) describing the resource and amounts generated in the Contract year. Further, they both must attest that the RECs have not been sold, marketed, or transferred to another party outside of this REC Contract, or otherwise presented as a component of its energy product and must contain all their original environmental attributes.
- 3.6 Transfer of REC Title:** Upon receipt of the payment from the Party(ies) to the supplier, the supplier will subsequently transfer the applicable RECs to the Party(ies). The RECs transferred to the Party(ies) under and pursuant to this Agreement will be represented by a certificate, hereinafter called a Transfer Certificate. An authenticated copy of this Transfer Certificate will be provided to Western. A generator may be required to use WREGIS or similar REC tracking services, which in turn might require Western to use the system as well with a REC purchase and ownership transfer. See WREGIS at: www.wregis.org
- 3.7 Invoice and Payment:** All invoicing shall be based on the total RECs purchased by the Party(ies) on an annual (fiscal year) basis, beginning on the actual start date of the REC Contract. The RECs invoiced under the REC Contract must be generated in accordance with the proposal criteria set forth in Section 3.2. The Contractor will only be permitted to invoice for charges allowed under the terms and conditions of the REC Contract. The invoicing address will be specified therein. All invoices must be accompanied by a fully completed Transfer Certificate.
- 3.8 Additional REC Amounts:** The Party(ies) may request Western to contract for (1) the transfer of RECs for additional facilities or (2) the transfer of additional REC amounts for the facilities described in this RFP. If Western considers the request within the original scope of the REC Contract, Western shall provide the Contractor with the additionally desired REC

amounts, and the two will discuss whether to extend the full terms and conditions of the REC Contract to cover the proposed additional purchase.

4. RFP SUBMISSION REQUIREMENTS: Offerors must fully address each of the following submission requirements to be considered for this solicitation:

- 4.1 Contact Information:** Offerors must provide: company name, contact person, mailing address, phone number, fax number, and e-mail address.
- 4.2 Renewable Energy Facilities and REC Amounts:** Offerors must provide the following information: the Part(ies) they propose to serve with RECs (see Attachment 1); a firm, fixed, per-MWh REC price for each contract term; type of resource (e.g., solar, wind, biomass, etc.); the location of the generating facility from which the RECs originate; the renewable generating facility operational date of the generator producing the RECs; and the annual amount of RECs offered from each of the proposed renewable energy facilities.
- 4.3 Cost:** Offerors must specify one firm, fixed, per-MWh unit price for the offered RECs for contract terms on behalf of any or all of the Parties for terms of each Federal fiscal year beginning FY2009 and ending FY 2015.
- 4.4 Past Performance:** Documentation must be submitted describing relevant past experience and performance regarding the transfer of RECs. Past performance may include Federal and non-Federal customer references. The offeror agrees to permit Western's representatives to contact the listed references and inquire about the offeror's past performance.

5. EVALUATION CRITERIA

- 5.1 Best Value:** Utilizing the flexibility allowed under Western's power marketing authority, Western intends to award one or more REC Contracts to an offeror(s) that Western considers as providing the best overall value and that otherwise meets the terms of this RFP.
- 5.2 Submission Requirements:** Offers will be considered for evaluation if they comply with the submission requirements set forth under Section 4. Western may seek additional information for, or clarification of, individual offers as needed.
- 5.3 Past Performance:** The offerors' past performance (if any) shall be considered. Offerors with no past performance will receive a neutral past performance assessment.
- 5.4 Consideration:** REC firm, fixed, per-MWh unit price and offerors' past performance (if any) shall be considered in evaluating which qualified offers provide the best overall value, with firm, fixed, per-MWh unit price weighted more heavily than past performance.

6. POTENTIAL LEGAL AND REGULATORY ISSUES:

- 6.1 Contingent on Appropriations:** Where activities provided for in the REC Contract extend beyond an individual fiscal year, continued expenditures by the Party(ies) may be contingent upon Congress or a local government making available the necessary appropriations required for the continued performance under the REC Contract. In case such appropriation is not made, leaving a Party(ies) without funding to purchase RECs, Western and the Party(ies) shall be released from the contractual obligation to purchase RECs from the Contractor and shall incur no liability whatsoever due to the failure of Congress or local government to make such appropriation.
- 6.2 Contract Work Hours and Safety Standards:** The REC Contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 329 (1986), will be subject to the provisions of the Act, 40 U.S.C. §§ 327-333 (1986), and to regulations promulgated by the Secretary of Labor pursuant to the Act.
- 6.3 Equal Opportunity Employment Practices:** Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the offeror will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, will be incorporated by reference into the REC Contract.
- 6.4 Use of Convict Labor:** The offeror agrees to not employ any person undergoing sentence of imprisonment in performing the REC Contract except as provided by 18 U.S.C. § 3622(c) as amended or supplemented, and Executive Order 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.

7. PROCESS AND TIMING

- 7.1 Timing:** Offers submitted in response to this RFP must be received by Western on or before August 7, 2009, at 4:30 p.m. MDT to be considered for evaluation. Offers received by e-mail and late offers will not be considered.
- 7.2 Submission of Responses:** Western will accept offers that are submitted by mail via the U.S. Postal Service or an equivalent private mail carrier (e.g., UPS or FedEx). The address for submission of responses via the U.S. Postal Service or private carrier is:

Western Area Power Administration
CRSP Management Center
ATTN: Paula Fronk (REC Project Manager)
150 East Social Hall Avenue, Suite 300
Salt Lake City, UT 84111-1580

Offers may also be faxed to Western at (801) 524-5017, ATTN: Paula Fronk. Fax verification is (801) 524-6383. **Offers submitted via hand or electronic delivery methods will not be considered.**

- 7.3 Questions:** Questions regarding this RFP will be accepted **only via e-mail** to fronk@wapa.gov. All responses to questions will be sent to all offerors.
- 7.4 Notification of Receipt:** An acknowledgement of receipt of offers will not be provided. Offerors therefore are strongly encouraged to ensure that adequate tracking measures are taken with respect to their mailed or faxed offer.
- 7.5 Evaluation of Offers:** Western will consider all offers received on or before the date and time set forth in Section 7.1 of this RFP. Offerors should not expect Western to enter into discussions about their proposals, and should accordingly submit their best offer in their initial proposal. Western reserves the right to request best and final offers from one or more offerors, and to award or possibly not award any REC Contract(s) as Western ultimately deems appropriate. REC Contract award decisions will be made by Western, in consultation with all or any of the respective Party's representatives.
- 7.6 Notification of Award and Subsequent Contracting:** Western will notify successful offeror(s) regarding award, and will seek to negotiate and execute the REC Contract(s) as soon as practicable. A direct notification to unsuccessful offerors will not be provided; however, Western will post a general notification on its web site (<http://www.wapa.gov/CRSP/>) within one week after award.
- 8. CONFIDENTIALITY AND USE OF INFORMATION IN OFFERS:** Western will share information contained in submitted offers with other Western staff and may also share the information with the Party(ies) and their designated representatives. Offerors wishing to have part or their entire offer not made available to the public should so indicate by marking the applicable portions "Confidential."
- 9. CONTACT INFORMATION:**
Paula Fronk
Western Area Power Administration
150 East Social Hall Avenue, Suite 300
Salt Lake City, UT 84111-1580
(801) 524-6383, (801) 524-5017 (fax)
fronk@wapa.gov

Attachment 1

Western is requesting firm, fixed, “per-MWh” unit price offers for the transfer of RECs on behalf of the Party(ies) for each year for contract terms September 2009 up to September 2015.

	<u>Megawatt-hours Per Year</u>								
<u>Individual Party</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Location and Type of Generation</u>	<u>Certification Requirements</u>
Western Area Power Administration	0	0	1,372	1,372	1,372	1,372	1,372	Within United States	Executive Order 13423
Western Area Power Administration	0	0	2,500	2,500	2,500	2,500	2,500	Within United States	Executive Order 13423
Western Area Power Administration – Rocky Mountain Region	11,486 ^{1/}	180,343 ^{1/}	0	0	0	0	0	Western and Bonneville Administration Service Territory	On-line on or after January 1, 1997
Western Area Power Administration – Rocky Mountain Region	0	50,000 ^{1/}	0	0	0	0	0	Within United Stated	Executive Order 13423
U.S. DOE – NNSA Pantex Plant	0	0	9,000	9,000	7,500	6,000	6,000	Prefer solar or other thermal resource built after 2000	Executive Order 13423
Forest Service, California Region 5	31,962 ^{2/}	33,240 ^{2/}	34,902 ^{2/}	36,647 ^{2/}	39,212 ^{2/}	0	0	Within United States.	Executive Order 13423

^{1/} Estimates; this amount may vary due to pricing

^{2/} Estimates; this amount may vary slightly due to usage

Attachment 2
Annual Renewable Certification from REC Provider
(Sample)

I, _____,
(print name and title)

declare under penalty of perjury, on behalf of

_____, that
(name of REC provider)

- (1) all the RECs associated with this invoice were generated by eligible renewable energy generators as defined in Contract No. 09-SLC-_____;
- (2) all the renewable attributes, including any emissions reduction credits or emissions allowances, represented by the REC sales reported in Renewable Energy Certificate of Transfer were transferred to Western Area Power Administration; and
- (3) the renewable attributes represented by the REC sales reported in Renewable Energy Certificate of Transfer were not and will not be sold, marketed, or otherwise claimed by a third party.

REC Product

Generating Facility	MWh Generation	From: (date)	To: (date)	Fuel Type

I further declare that the RECs claimed for the REC products LISTED ABOVE and reported in the Renewable Energy Certificate of Transfer were sold once and only once, and that the electrical energy that was generated with the RECs reported in the Renewable Energy Certificate of Transfer was not and will not be sold, marketed, or otherwise represented as renewable energy and was not and will not be used to meet any Federal, state, or local renewable energy requirement, renewable energy procurement, renewable portfolio standard, or other renewable energy mandate. As an authorized agent of the aforementioned Company, I have authority to submit this report on the company's behalf.

Signature _____ Date _____

Place of Execution _____

Address of Providing Company: _____

**Attachment 3
Annual Renewable Generator
Verification and Certification Form**

1. Facility Information

Name of Facility: _____

Date from _____ to _____

Address of Facility: _____

Facility ID Number: _____ EIA or QF? (circle one)

Contact Person: _____

Title: _____

Telephone: _____ Fax: _____

Resource Type (Indicate Fuel Type)	Capacity ^{1/} (MW)	MWh/RECs Sold to Provider	Date Facility First Operational	NOx Emissions (Lbs/MWh)	Period of Delivery (mm/yy)

^{1/} Please enter Energy Information Administration (EIA) identification number for the generating facility. If the facility does not have an EIA number, please enter the utility-assigned Qualifying Facility (QF) identification number.

2. Declaration

I, _____,
(print name and title)

declare under the penalty of perjury, that the information provided on this form is true and correct to the best of my knowledge.

Further, I declare that the _____ megawatt-hours of RECs
(indicate number of MWh)

listed above were sold exclusively to _____.

(name of REC provider)

Further, I declare that

- (1) all the renewable attributes, including any emissions reduction credits or emissions allowances, represented by the renewable electricity generation listed below were transferred to the REC provider above;
- (2) to the best of my knowledge, the renewable attributes were not and will not be sold, marketed, or otherwise claimed by a third party;
- (3) the renewable attributes were and will be sold once and only once;
- (4) the electrical energy that was generated with the attributes was not used on-site for generation; and
- (5) the electrical energy that was generated with the attributes was not and will not be separately sold, marketed, or otherwise represented as renewable energy and was not and will not be used to meet any Federal, state, or local renewable energy requirement, renewable energy procurement, renewable portfolio standard, or other renewable energy mandate.

Further, I declare that the facilities that generated all of the _____ RECs.
(indicate number of MWhs)

sold to _____
(name of REC provider)

are listed above by fuel type.

As an authorized agent of _____,
(generating company name)

I attest that the above statements are true and correct.

Signature: _____ Date: _____

Place of Execution: _____

Address of Generating Company: _____
